STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: MICHAEL J. RUKUJZO	)	FILE NO. 1000172

CONSENT ORDER OF DISMISSAL

TO THE RESPONDENT: Michael J. Rukujzo (CRD#: 1386173)
24117 Brown Lane
Plainfield, Illinois 60544

Michael J. Rukujzo
(CRD#: 1386173)
C/o Traderight, Corp. d/b/a Traderight
Securities,Inc. d/b/a NDX Advisors
900 Long Lake Road Suite # 101
New Brighton, Minnesota 55112

Michael J. Rukujzo (CRD#: 1386173)
C/o James V. Garvey Attorney At Law Vedder Price P.C.
222 North LaSalle Street
Chicago, Illinois 60601

WHEREAS, Respondent on the 9th day of September 2010 executed a certain Stipulation to Enter Consent Order of Dismissal (the "Stipulation"), which hereby is in corporate by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated May 24, 2010, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal "Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times, the Respondent was registered with the Secretary of State as an investment adviser representative in the State of Illinois pursuant to Section 8 of the Act.

2. That on March 25, 2010, FINRA entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No 20070096092-02, which barred him from association with any member of FINRA in any principal capacity.

3. That the AWC listed the following background information:

   Respondent first became associated with a member of FINRA in May 1989 and was continuously associated with FINRA members from that time until April 2009. In December 2003, Respondent founded TradeRight Securities, Inc. He was registered with the firm as a General Securities Principal and served as its president until the firm withdrew from FINRA membership and ceased business on or about April 16, 2009. Respondent has not been associated with a FINRA member firm since TradeRight's withdrawal and has not previously been the subject of disciplinary action.

4. That the AWC found:

OVERVIEW

During the period from August 2006 through June 2007, Respondent participated in the negotiation and consummation of a transaction involving another FINRA member, AFC, and a customer of TradeRight, ETC.

The agreement TradeRight. The agreement memorializing the transaction was executed in December 2006. In the course of negotiating and effectuating the agreement, Respondent, individually and through TradeRight, permitted an unregistered person to function on TradeRight's behalf in capacities requiring registration, and participated with AFC in a transaction requiring FINRA approval when no approval had been sought by AFC or granted to AFC. In addition, the asset purchase transaction resulted in the transfer of multiple customer mutual fund positions for which TradeRight had become the dealer of record to the dominion and control of ETC, which exposed the customers to losses as *a* result of ETC's speculative margin trading. This conduct violated Conduct Rule 2110 and Membership and Registration Rules 1017, 1021 and 1031.

FACTS AND VIOLATIVE CONDUCT

a. Engaging in a Course of Conduct Inconsistent with High Standards of Commercial Honor and Just and Equitable Principles of Trade

On or about December 29, 2006, AFC entered into an Asset Purchase Agreement with an entity identified as Locke Haven, LLC. Locke Haven was not a broker-dealer and, in fact, had no legal status at the time the Agreement was executed. In substance, Locke Haven was an entity with four principal members: JL, who was the president of ETC; RT, who was the vice-president of ETC; Respondent; and GD, a TradeRight representative who was the broker of record on the ETC securities account at TradeRight. The Agreement recited that Locke Haven would purchase the assets of AFC, which consisted primarily of its customers' securities accounts, including accounts held directly with mutual fund companies for which AFC was the dealer of record; however, the Agreement required AFC to transfer to TradeRight all of the assets to which Locke Haven was entitled under the Agreement. Thus, TradeRight was intended to become, and became, the dealer of record for all the AFC customer accounts held directly with the mutual fund companies.

TradeRight facilitated the transfer of certain positions held directly at the mutual fund companies to an omnibus margin account held and maintained at TradeRight's clearing firm in the name of ETC, for which TradeRight was the broker-dealer of record. In or around January 2007, information was sent to AFC customers that included a letter notifying them of the Agreement, an Investment Agency Agreement (IAA) and an Asset Transfer Form (ATF). The information contained in the packets did not mention a margin account, the use of margin in investment strategies, or the use of the customer's assets as collateral to support margin trading by ETC in the omnibus account. TradeRight was the broker-dealer of record for all customers who submitted IAAs and ATF before the accounts were transferred to the ETC omnibus account. Certain of the affected AFC accounts were IRAs and other qualified accounts.

Respondent generally knew the nature of the accounts being transferred to ETC and the nature of the ETC omnibus account, which was a margin trading account. TradeRight advised its clearing firm that the customers had authorized the *use* of their mutual fund assets as collateral based on the unverified representations of ETC personnel. In fact, the customers did not sign any margin authorization forms, were unaware of the margin trading collateralized by the mutual funds purportedly held by ETC as custodian for their benefit, were unaware of the risks to their assets presented by ETC's margin trading and were, therefore, unable to protect their assets. Subsequently, trading losses in the ETC account led to the liquidation of securities collateralizing the margin debt, which caused

losses to the affected customers. As TradeRight's president, Respondent was responsible for the firm's conduct in connection with the acquisition of the AFC customer accounts and the transfer of the accounts' assets to ETC's omnibus account.

Under the circumstances described above, the facilitation of the transfer of individual and retirement account assets into ETC's omnibus margin account constituted a course of conduct that was inconsistent with high standards of commercial honor and just and equitable principles of trade. This constituted a violation of NASD Conduct Rule 2110 by Respondent.

b. Permitting an Unregistered Person to Function in Capacities Requiring Registration

Throughout the process of negotiating the Agreement and transferring the AFC customers' assets into ETC's omnibus account, RT, the Vice President of ETC, along with RG, AFC's principal, were the persons with whom AFC and its clients communicated with respect to matters pertaining to the Agreement. RT was permitted to hold herself out to AFC and its clients as an agent of TradeRight in negotiations and with regard to the establishment of the dealer-of-record customer relationships between the AFC customers and TradeRight. By virtue of this conduct, RT met the definition of an associated person in the FINRA By-Laws and engaged in the solicitation of securities business for TradeRight, thus, functioning as a registered representative of the firm. Further, by permitting RT to hold herself out as an agent of TradeRight in such capacity, she was permitted to engage in the management of TradeRight's securities business and, therefore, functioned as a principal of the firm. RT, however, was never registered with TradeRight in any capacity.

By permitting RT to represent and act on behalf of TradeRight in the activity described above, Respondent allowed her to function as a representative and a principal of the firm without benefit of registration. This constituted violations of NASD Membership and Registration Rules 1021 and 1031 and NASD Conduct Rule 2110 by Respondent.

c. Change of Dealer of Record Designation Without Customer Authorization

The AFC customers whose accounts were transferred to TradeRight as a result of the asset transfer did not receive affirmative consent letters and, therefore, were not provided with an opportunity to determine whether they wished to affirmatively designate TradeRight as the dealer of record for their directly-held mutual funds, designate some other broker-dealer, or to have no dealer of record designation at all. By becoming dealer-of-record without verifying that affirmative consent was obtained, TradeRight, under Respondent's direction and control, engaged in conduct inconsistent with high standards of commercial honor and just and

equitable principles of trade. This constituted a violation of NASD Conduct Rule 2110 by Respondent.

d. Participation in a Transaction Requiring FINRA Approval that was not Approved by FINRA

The transfer of AFC's mutual fund business to TradeRight constituted an event that required AFC to submit a Rule 1017 application for approval to FINRA staff. The application was required to be filed on or before December 12, 2006. By co-signing instructions for mutual fund companies to re-register the majority of AFC's assets, consisting primarily of directly-held mutual fund accounts, to reflect TradeRight as the dealer of record, TradeRight entered into, and facilitated the implementation of, an asset transfer agreement that it knew or should have known would trigger Rule 1017 requirements for AFC. TradeRight did not have evidence of AFC fulfilling its Rule 1017 obligations and did not seek confirmation that the requirements had been met. Because AFC failed to obtain FINRA permission by means of a Rule 1017 application, the account transfer occurred in violation of that Rule. By allowing TradeRight to participate in a transaction that he knew or should have known required approval, when he knew or should have known that approval was neither requested nor obtained, Respondent engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade and violated NASD Conduct Rule 2110.

5. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a investment adviser representative may be revoked if the Secretary of State finds that such investment adviser representative has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.

6. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

> That by virtue of the foregoing, the Respondent's registration as an investment adviser representative in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of Five Hundred dollars ($500.00). Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the Amount of Five Hundred Dollars ($500.00). Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund and represents reimbursement to cover the cost incurred during the investigation of this matter.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that in the event of re-registration as an investment adviser representative in the State of Illinois, he shall be placed under a plan of heightened supervision (the "Plan"). The Plan shall commence on the date of re-registration and shall last for a period of one (1) year. The Plan shall concentrate on compliance with all applicable procedures of the employing firm as well as all laws and regulations of the State of Illinois, the United States Code and generally in the securities industry.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent is levied costs of investigation in this matter in the amount of Five Hundred dollars ($500.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on September 13, 2010 has submitted Five Hundred dollars ($500.00) in payment thereof.

2. In the event of re-registration as an investment adviser representative in the State of Illinois, the Respondent shall b placed under a plan of heightened supervision (the "Plan"). The Plan shall commence on the date of re-registration and shall last for a period of one (1) year. The Plan shall concentrate on compliance with all applicable procedures of the employing firm as well as all laws and regulations of the State of Illinois, the United States Code and generally in the securities industry.

3. The notice of Hearing dated May 24, 2010 is dismissed.

4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 13th day of September 2010.

JESSE WHITE
Secretary of State
State of Illinois

Daniel A. Tunick
Enforcement Attorney
Illinois Securities Department
Office of Secretary of State
69 West Washington St.- Suite 1220
Chicago, IL 60602
Telephone: 312.793.4433
Facsimile: 312.793.1202